INDUSTRY, TOURISM AND INVESTMENT

OVERVIEW

MISSION

The Department of Industry, Tourism and Investment (ITI), in partnership with others, provides quality programs and services to promote and support Northwest Territories (NWT) economic prosperity and community self-reliance.

GOALS

1. Promote and support a diversified economy that provides opportunities for NWT residents.
2. Promote and support the development of business opportunities, including agriculture, commercial fishing, the traditional economy, tourism, trade, investment, manufacturing, and secondary industries.
3. Promote the sustainable development of natural resources that respects the conservation and protection of the environment for our future generations.
4. Promote and support the efficient development, utilization and marketing of energy resources to achieve self-sufficiency, maximize economic opportunities, and realize affordable energy costs.
5. Secure economic and employment opportunities from responsible resource development for NWT residents.
6. Develop partnerships with individuals, businesses, communities, Aboriginal organizations and other governments to foster prosperity and community self-reliance.

BUDGET (2008/9)

Compensation & Benefits	$16,178, 000
Grants & Contributions	$19,995,000
Other O&M	$8,572,000
Amortization	$848,000
Infrastructure Investment	$3,828,000

POSITIONS (2008/09)

Headquarters (HQ)	115 positions
Regional/Other Communities	77 positions
Seasonal	13 positions

KEY ACTIVITIES

Corporate Management
Mineral and Petroleum Resources
Energy
Tourism and Parks
Economic Diversification and Business Support

STRATEGIC ACTIONS

Support Diversification (Maximizing Opportunities)

Promote the NWT as a Place to Visit and Live (Maximizing Opportunities)

Maximize Benefits from Resource Development (Maximizing Opportunities)

Improve Quality and Cost of Shelter (Reducing the Cost of Living)

Address Factors that Impact the Cost of Goods (Reducing the Cost of Living)

Expand Programming for Children and Youth (Building Our Future)

STRATEGIC ISSUES

There are a number of critical issues that will have an impact on ITI's programs and services, and how they are delivered, over the next four years. The relevant socio-economic trends and forecasts, as well as the strengths, weaknesses, opportunities and threats of ITI's operating environment, have all been taken into consideration when developing ITI's Business Plan.

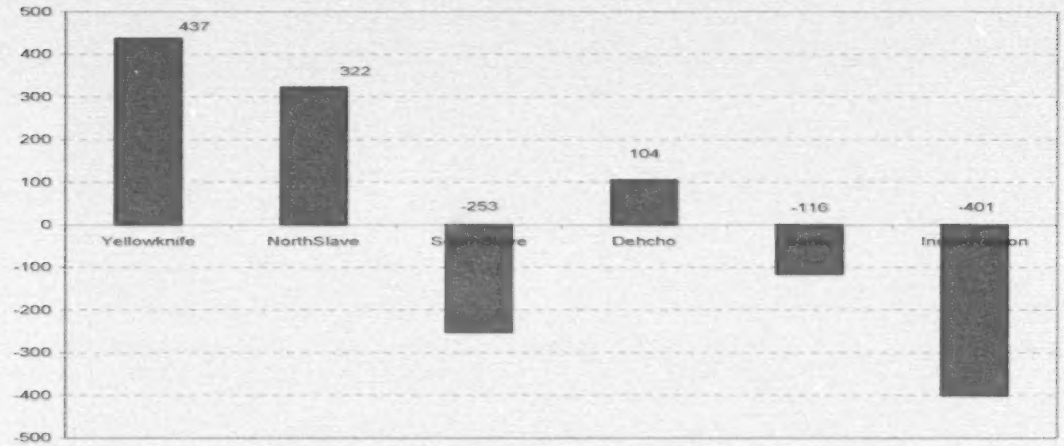
Key issues facing the NWT economy are:

- A heavy reliance on the resource sector; primarily diamonds, oil and natural gas. Continued development in the resource sector, for diamonds and other resources, is required to maintain economic growth. Resource development provides direct employment and business opportunities for a wide range of NWT residents and businesses.
- Reliance on a few industries, however, emphasizes the need to diversify the NWT economy. There is a need to diversify the economic base into other industries such as tourism and manufacturing, as well as to recognize the important role of the traditional economy. Opportunities also exist to diversify mineral production into base metals, gold and other commodities.
- Population growth has been minimal. Rotational workers result in almost $334 million in economic leakage and a lack of skilled labour to take existing job opportunities. There exists a strong correlation, greater than 97%, between businesses and population. Retail and service businesses are particularly dependant on population.
- Strong Gross Domestic Product (GDP) growth is not reflected in all regions of the NWT. Considerable disparities continue to exist between larger centres and small communities. These disparities are reflected in lack of opportunities and higher costs in most small communities.
- Considerable potential exists to develop renewable and cleaner energy resources to help address rising fuel prices and global warming concerns. Utilizing NWT energy sources such as hydro or natural gas would reduce the NWT's reliance on imported fossil fuels and strengthen the economy.
- Development of the Mackenzie Gas Project (MGP) will open up NWT natural gas resources and provide tremendous opportunities for NWT business, while placing demands on government beyond its current capacities.

Demographics

Local business markets are a combination of population and incomes. Yellowknife accounts for 45% of the population, a further 22% live in the other four regional centres, while 33% of the population live in 28 small, largely Aboriginal communities. Even with record GDP growth, overall population growth has been minimal, with average net growth of 269 people per year over the past 5 years. Over the past five years, 6,410 NWT residents moved to Alberta. Residents have also moved from regions with limited resource development. Populations have increased in Yellowknife and the North Slave Region, but declined in the Inuvik and South Slave Regions. Population and incomes determine local markets. With limited population growth, the ability of many service and trade businesses to expand is limited. It can also reduce the availability of labour, limiting the ability of northern businesses to expand and take advantage of spin-off opportunities in the resource sector.

Chart 1: Population Change by Region 2006-1996



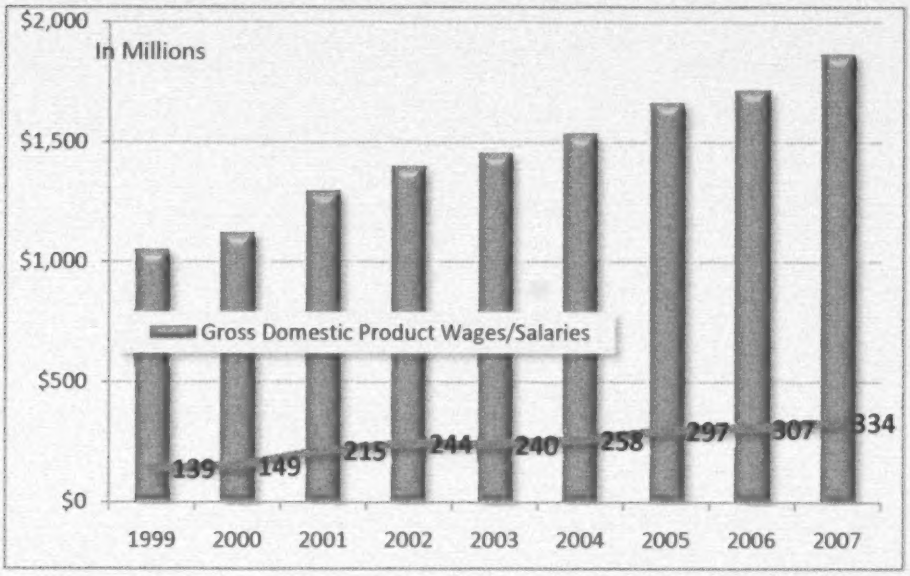
Overall Economic Performance

Economic growth in 2007 for the NWT was at 13.1%, highest among all provinces and territories; the Canadian average was only 2.7%. However, Nunavut was a close second at 13.0%.

On the expenditure side, both personal expenditures (up 4.3%) and business investment rose significantly (up 10.8%). Diamond mining accounted for the largest share of total GDP in 2007, $1,220.5 million or 31.3% of the total. Construction, largely in response to diamond mine investment, was the second largest industry at $594.6 million, or 15.2% of total GDP.

A significant portion of the GDP increase originated with corporate profits, which increased 17% over 2007. The growth in labour income earned in the NWT also increased close to 9%. As shown in Chart 2, however, the portion of non-resident labour income has also increased to $334 million: the percentage has remained fairly constant in recent years at 18%. Currently rotational workers are used in the mining, oil and natural gas sectors, construction and the medical sector. Given the average Canadian household size of 2.5 people, the NWT is losing out on more than just the wages of rotational workers living outside the NWT.

Chart 2: Estimated Resident and Total Wages Earned in the NWT



Source: Series V1408014 and Series V1407346, NWT Bureau of Statistics (Updated October 2008)

Exports and Imports

While exports have increased significantly, the NWT still runs a trade deficit. However, the deficit decreased from $442 million in 2006 to $252 million last year (about $6,000 per person). Diamonds constitute the largest export by value from the NWT. In 2007, carat production of diamonds increased 28%, while overall production value increased 13%. The value of oil exports increased slightly, on price, even as production declined. Natural gas exports have declined by about 50%.

Mining

At the end of 2007, the NWT had the only three commercially producing diamond mines in North America. Production for 2007 was $1.4 billion. Ontario will have Canada's fourth diamond mine when the Victor project goes into production in the first quarter of 2008.

Chart 3: Mineral Production in $'000

Annual	Gold	Silver	Tungsten	Diamonds	Natural Gas	Crude Petroleum
1999	$42,053	$156		$606,254	$11,690	$230,925
2000	$51,064	$243		$624,949	$103,068	$387,276
2001	$54,314	$207		$717,780	$207,283	$337,964
2002	$52,439	$237	$18,790	$801,469	$134,269	$332,609
2003	$42,820	$149	$29,755	$1,587,740	$177,908	$337,129
2004	$8,752	$27	$0	$2,096,718	$151,119	$366,704
2005	$0	$27	$8,155	$1,762,053	$120,010	$424,813
2006	$0	$0	$64,497	$1,567,019	$62,124	$462,994
2007	$0	$0	$71,875	$1,744,988	$54,459	$497,409

Source: NWT Bureau of Statistics, updated October 2008

Mineral exploration dropped to 4.8% of Canada's total over 2008. Mineral exploration in the NWT consists of grassroots exploration projects, exploration around abandoned and existing mines (e.g., Yellowknife Gold Project and the Ekati Claim Block, respectively) and advanced feasibility studies (e.g., Gahcho Kue project).

Oil and Natural Gas

Over 2007, oil and gas extraction was valued at $559 million, with a GDP contribution of $226 million. Seven new Exploration Licences were issued, including one in the Beaufort Sea with a work expenditure bid of $585 million. The number of exploratory wells drilled in the NWT in 2007 decreased from previous years. Drilling was limited to the Mackenzie Delta. Imperial Oil Limited continued to produce conventional oil from its Norman Wells operations and Paramount continued to produce oil and natural gas from its Cameron Hills operations. In December 2007, Paramount suspended operations at their Fort Liard wells, ending production from the Dehcho Region.

When gas flows down the proposed Mackenzie Valley Pipeline, revenues from natural gas production will increase to over $2 billion annually.

Manufacturing

Current manufacturing in the NWT is dominated by diamond processing, manufacture of products for industry and unique northern products. Overall sales have declined significantly over the past three years, from $92 million in 2005 to an estimated $47 million in 2007.

Chart 3: Value of Manufacturing in the NWT (2003 to 2007)

	2003	2004	2005	2006	2007
NWT manufacturing industries $ millions	**78.3**	**81.0**	**92.4**	**75.3**	**46.9**

Source: NWT Bureau of Statistics. Updated October 2008

Renewable Resource Harvesting and Agriculture

The agriculture, forestry, fishing and hunting industries in the NWT were valued at $17.8 million in 2007. As a means of livelihood and cultural retention, renewable resource harvesting and agriculture remain vitally important, particularly in the smaller communities. About 40% of NWT residents over 15 years of age spend time on the land fishing and hunting.

Tourism

According to the 2006 Visitor Exit Survey, tourist spending was valued at $48 million between May 15 and September 15, 2006. However, the tourism season in the NWT is year-round with distinct market segments of: winter and spring aurora viewing, summer road traffic, fishing and fall hunting. New opportunities are developing for Aboriginal tourism that will promote unique Aboriginal cultural experiences.

Energy

Rising energy costs, and the growing impact of our energy use on the environment, point to the need to displace imported diesel with local energy sources. Examining the potential use of alternative sources (e.g., biomass, wind) and applying these technologies for use in our northern environment, is an area that will require attention in the coming years. The NWT also has significant potential with regard to more conventional sources of energy. Conversion of communities to natural gas for home heating and electricity generation and the further development of the NWT's world class hydro potential are two such opportunities.

KEY ACTIVITY 1: CORPORATE MANAGEMENT

Description

The Corporate Management activity consists of Directorate; Policy, Legislation and Communications; Corporate Costs; and Shared Services (Finance and Administration, and Informatics).

Directorate includes the Deputy Minister and the Assistant Deputy Minister – Programs and Operations, and is responsible for overall direction and coordination of Departmental programs.

Policy, Legislation and Communications provides policy, legislative, strategic planning, coordination and communications support to enable the Department to respond effectively to economic and resource development issues of concern to the NWT. This function is responsible for coordinating environmental assessment and land management activities for ITI. This function also coordinates the Department's participation in Aboriginal lands, resources and self-government negotiations, and provides input to negotiations for devolution of land and resources management from the Federal Government.

Corporate Costs captures Department wide specific costs such as lease payments, vehicle and building maintenance, fuel, etc.

Shared Services provides services to ITI and Environment and Natural Resources (ENR). Finance and Administration provides financial management and administrative services to the Departments. Informatics is responsible for information systems that support the Departments in developing and managing databases and web systems in order to provide information to decision-makers and the public.

2008/09 Resources

Budget:

Compensation & Benefits	$4,720,000
Grants & Contributions	-
Other O&M	$1,888,000
Amortization	$53,000

Staffing (Positions):

Headquarters (HQ)	39
Regional/Other Communities	29

KEY ACTIVITY 2 : MINERAL AND PETROLEUM RESOURCES

Description

ITI leads the development and promotion of initiatives and strategies to increase NWT economic benefits from mineral and petroleum explorations and operations. ITI supports informed decision-making by providing geosciences data.

ITI also coordinates the government-wide management of socio-economic effects of resource development and interdepartmental cooperation to support development of the MGP.

These activities are delivered through the Minerals, Oil and Gas Division, the Northwest Territories Geoscience Office (NTGO), the Mackenzie Valley Pipeline Office (MVPO), the Industrial Initiatives Division and ITI's Regional Offices.

Major Program and Service Initiatives

Mackenzie Gas Project – ITI will support the development of the MGP and related induced development by providing leadership and coordination to ensure policy development and actions that result in NWT residents achieving the greatest possible benefits of these developments while minimizing any potential negative impacts.

Northwest Territories Geoscience Office (NTGO) – ITI, in partnership with Indian and Northern Affairs Canada, will support the NTGO.

Mineral and Petroleum Resource Development – ITI will monitor exploration, transmission and operations of mineral and petroleum developments to provide analysis and advice to NWT residents, communities and governments. ITI will participate in the analysis of land use and regulatory initiatives to provide information to NWT residents, communities and Government on their impacts on mineral and petroleum development to support informed decision-making.

Management of Socio-Economic Effects of Resource Development – ITI will support the appropriate management of socio-economic effects of resource development through the negotiation and implementation of Socio-Economic Agreements (SEAs).

Support for the NWT Diamond Industry – ITI will support existing and emerging diamond mines and manufacturers. ITI will lead in updating the 1999 GNWT Support to the Diamond Manufacturing Industry Policy.

2008/09 Budget:

Compensation & Benefits
$3,516,000

Grants & Contributions
$991,000

Other O&M
$1,496,000

Amortization
$15,000

Staff (Positions):

28 HQ
8 Regional/Other

Measures:

Number of geosciences products released

Number of Client/Community Visits

Number of Diamond Certificates Issued

Funding for Geoscience

Funding for Aboriginal Pipeline Group

The Department will report on milestones achieved on the Induced Development Analysis, the Secondary Industry Analysis and Implementation of the MGP Socio-Economic Agreement.

KEY ACTIVITY 3: ENERGY

Description

ITI leads the development of GNWT energy policy and planning activities that support the sustainable development, generation and use of NWT energy resources, and promote the availability of affordable energy for all NWT residents.

These policy, planning and GNWT-wide coordinating functions are delivered through the Energy Planning Division.

Major Program and Service Initiatives

NWT Hydro Strategy
The NWT Hydro Strategy will serve to guide the long-term approach to hydroelectric development in the NWT. Specific initiatives include continued support for the Taltson Hydro Expansion to supply hydro to NWT diamond mines and the development of mini-hydro to supply some NWT communities.

NWT Electricity Review
As discussed in the *NWT Energy Plan*, a review of electricity rates, regulation and subsidy programs will be undertaken to ensure that NWT residents have access to reliable and affordable electricity.

GNWT Energy Priorities Framework
To ensure that energy activities are coordinated across government, a Ministerial Energy Coordinating Committee (MECC) has been established. Key initiatives of the MECC, supported by Energy Planning, will include the development of an *Energy Priorities Framework* that builds upon the Vision, Goals and Priorities of the 16th Legislative Assembly, the development of a detailed NWT Energy Report on GNWT energy activities and investments, and the development of a renewed *NWT Energy Plan (2011)*.

Natural Gas Conversion
In preparation for the proposed Mackenzie Valley Pipeline, detailed economic and engineering work will be required to allow some Mackenzie Valley Communities to take advantage of natural gas. Initial analysis indicates that conversion of Fort Good Hope, Tulita, and Fort Simpson may be feasible.

2008/09 Budget:

Compensation & Benefits
$388,000

Grants & Contributions
$4,490,000

Other O&M
$141,000

Amortization
$0

Staff (Positions):

4 HQ

Measures:

The Department will report on milestones on major program and service initiatives.

KEY ACTIVITY 4: TOURISM AND PARKS

Description

ITI develops and implements NWT tourism strategies with partners in the tourism industry, supports and participates in global marketing of tourism, and develops, operates and maintains public tourism facilities, including a system of NWT parks that supports and promotes tourism.

These activities are delivered through the Tourism and Parks Division and ITI's Regional Offices.

Major Program and Service Initiatives

Tourism Product Diversification and Marketing (TPDM) Program
The new TPDM Program will assist tourism businesses to develop new tourism products in response to market opportunities, and diversify the product base of individual businesses and the industry as a whole.

Tourism 2015
ITI will develop a new Tourism 2015 Strategy to build on the successes and momentum of Tourism 2010. Priorities for investment will be established in collaboration with industry partners, and will focus on initiatives that create broad-based benefits for the tourism industry.

Aboriginal Tourism Strategy
ITI will develop a new strategy to engage the NWT Aboriginal community more fully in the tourism industry.

Tourism Operator Licensing
ITI will consult with the tourism industry on improvements to the licensing scheme under the *Tourism Act* and Regulations.

Parks Renewal – ITI is launching several initiatives to renew the value of our Parks system as a tourism asset, such as: **Capital Renewal** to create, upgrade and replace deteriorating Parks and Campground infrastructure; **Parks Branding** to promote NWT parks to residents and non-residents; **Parks Blueprint Plan** to create a series of blueprints for Parks facilities; **Parks Contract Operators Manual** to provide consistency of program and service delivery throughout the system.

2008/09 Budget:

Compensation & Benefits
$2,486,000

Grants & Contributions
$4,043,000

Other O&M
$3,389,000

Amortization
$728,000

Staff (Positions):

7 HQ
12 Regional/Other
13 Regional/Seasonal

Measures:

Number of business products created or expanded

Number of Aboriginal-specific tourism products/businesses created

Number of new tourism attractions created or expanded

Operator satisfaction with the licensing system

Number of people using NWT parks and campgrounds

KEY ACTIVITY 5: ECONOMIC DIVERSIFICATION AND BUSINESS SUPPORT

Description

ITI supports and promotes tourism, business investment, and renewable resources to promote business and wage opportunities, and to diversify the economy, and develop business opportunities.

ITI supports informed decision-making by providing economic data, market intelligence, sector information and opportunity studies. In conjunction with partners to facilitate access to investment capital.

ITI works with business associations to promote the NWT as a place to invest and live.

These activities are delivered through the Investment and Economic Analysis Division, the NWT BDIC and ITI's Regional

Major Program and Service Initiatives

Support to Entrepreneurs and Economic Development (SEED) Policy
SEED is a new Policy that will replace the Business Development Fund and Grants to Small Business Policies. An enhancement of $1 million is planned to ensure the SEED Policy programs have sufficient funding to meet growing demand.

Community-based Support
ITI will provide additional funding for Economic Development Officers in three communities, and additional funding for Community Futures organizations to ensure services are delivered to all NWT communities.

Enhancing Agriculture
Additional funding for agriculture will enable ITI to continue with local import-replacement gardening and similar activities.

Minister's Advisory Panel
A panel representing industry associations and Chambers of Commerce will be formed to provide regular dialogue to the Minister of ITI regarding matters relating to the economy.

Fisheries
ITI will investigate options and implement a plan to support the continued operation of the Great Slave Lake Fishery.

2008/09 Budget:

Compensation & Benefits
$5,068,000

Grants & Contributions
$10,471,000

Other O&M
$1,658,000

Amortization
$52,000

Staff (Positions):

37 HQ
28 Regional/Other

Measures:

Amount of contributions provided by region, community level and sector.

Loans and training delivered by Community Futures.

Amount of funding levered by contributions.

Feedback from private sector and government users on accuracy, relevance and timeliness of information and analyses provided for decision-making.

STRATEGIC INITIATIVE: MAXIMIZING OPPORTUNITIES

Action: Support Diversification

Description

- **New SEED Policy and Enhanced Funding**: The Support to Entrepreneur and Economic Development (SEED) Policy is a contribution fund to promote business and community economic development, including additional support for targeted sectors.
- **Parks Renewal – Capital and Operations and Maintenance:** Refurbishing flagship park infrastructure, protecting park buildings of high historical value and increasing capacity to handle growing demand.
- **Cultural Interpretations at Parks:** Providing cultural interpretive programs to park visitors to improve the visitor experience.
- **Parks Operations:** Increasing the safety and security of campground visitors.
- **Tourism Product Diversification and Marketing Program (TPDM):** To help the businesses in the tourism industry diversify and enhance their range of products to help attract more visitors to the NWT.
- **Western Harvesters Assistance Program:** More than $1,000,000 in funding will be matched by various communities throughout the NWT toward economic development initiatives.
- **Economic Development Officers:** Economic Development Officers (EDOs) in communities will provide expertise to local entrepreneurs to develop businesses, and access the capital necessary to do so.
- **Extend Tourism 2010:** Work with partners to develop Tourism 2015 to build upon the successes and momentum of the current Tourism 2010 Strategy.

Objectives

Objective 1 – Stimulate new investment and expansion of tourism and general business services, employment, and incomes.

Objective 2 – Support traditional harvesting activities as a means to replace imports and provide income to residents.

Objective 3 – Increase the number and type of tourism products in the NWT.

Objective 4 – Increase the number of road travellers and campground visitors to the NWT.

Action Plan

New SEED Policy and Enhanced Funding

2008–2009 New SEED policy criteria will be used by delivery staff in assessing funding proposals, and funding will be provided under the new Policy. A brochure advertising the new Policy will be developed and distributed to regions and communities.

2009–2012 SEED Policy programs will be delivered by ITI regional staff in response to client requests.

Tourism Product Diversification and Marketing Program (TPDM)

The TPDM Program was originally implemented in 2007-2008 and will expire in 2011-2012.

Western Harvesters Assistance Program

2008–2009 This Program was established with a commitment of $15 million in 1994 and is nearing completion, with approximately $1 million left to draw down against matching contributions provided by eligible communities. Five communities are expected to finalize their submissions for a value of $550,000 and complete their programs in 2008-2009.

2009–2010 Efforts will be made to finalize remaining submissions and conclude the Program in 2009-2010.

Economic Development Officers (EDOs)

2009–2012 New EDO positions will be advertised and staffed. EDOs will respond to client enquiries as well as identify and promote opportunities to local businesses.

Extend Tourism 2010

2011-2012 The Tourism 2010 Program will be extended.

STRATEGIC INITIATIVE: MAXIMIZING OPPORTUNITIES

Action: Promote the NWT as a Place to Visit and Live

Description

- **Promote the NWT at 2010 Olympics:** ITI will work with Yukon and Nunavut to leverage national and international exposure offered by the 2010 Olympics in British Columbia, to promote the NWT as a premier destination to visit and live. There is also an international market for arts and fine crafts products that will be targeted at these events to help develop a market niche for the NWT.
- **National Marketing Campaign:** ITI will work with Yukon and Nunavut to develop cooperative advertising campaign to promote the North for investment and as a travel destination and place to live.
- **Promote Arts and Crafts Production:** ITI will promote increased use of the arts branding tag and make regional and community visits to promote production and marketing opportunities, either through retailers or directly through the internet, as well as promoting NWT art at appropriate national or international events.

Objectives

Objective 1 – Increased sales of NWT arts and fine crafts.

Objective 2 – Leverage Canadian Tourism Commission media marketing efforts for the 2010 Olympics.

Objective 3 – Increase numbers of visitors to the NWT.

Action Plan

Promote the NWT at 2010 Olympics

2008-2009	Identify options and commence planning activities for NWT participation.
2009-2011	Implement activities for promotion of NWT at 2010 Olympics.

National Marketing Campaign

2008–2009	Participate in steering committee to develop strategy for advertising campaign.
2009-2011	Hire contractor and implement advertising campaign.

Promote Arts and Crafts Production

2008–2009 ongoing	Enhanced promotion of Arts and Crafts production through community workshops to raise awareness of market needs and to train artists regarding usage of the internet to market their products directly.
2008-2009 ongoing	Expand arts branding tag program to help raise awareness about NWT arts and fine crafts.

STRATEGIC INITIATIVE: MAXIMIZING OPPORTUNITIES

Action: Maximize Benefits from Resource Development

Description

MGP Strategic Investment
ITI provides overall government leadership on the MGP to ensure that the MGP is constructed and operated in a manner which minimizes potential environmental and socio-economic impacts on the residents of the NWT while ensuring that residents benefit to the greatest degree possible. ITI provides support to Aboriginal Organizations, businesses, and communities in their preparations to take advantage of the opportunities offered by the project.

Energy Investment - Taltson
ITI will fund and support the NWT Energy Corporation (03) Ltd. in the expansion of the Taltson Hydro System to supply NWT diamond mines with hydroelectric power.

Induced Development Investment
The decision to construct the MGP is expected in 2009/10. This decision will kick off an unprecedented exploration and development boom in the Mackenzie Valley, Delta, and Offshore Regions. Investment in planning and preparation for this induced development is critical to ensure that the residents of the NWT are prepared to benefit to the greatest degree possible.

Environmental Management Opportunities
This initiative will initiate the baseline information process to ensure that NWT residents maximize their opportunities to take advantage of environmental management opportunities by identifying economic development opportunities associated with environmental management activities and monitoring.

Secondary Industry
ITI investment in this area will ensure that secondary industry development associated with the construction of the MGP and availability of natural gas as a clean, secure and cost-effective fuel. This will contribute to sustainable economic diversification in the NWT.

Objectives

Objective 1 – To address pressures on government programs and services associated with impacts of the proposed MGP and to prepare and implement strategies to maximize benefits and minimize or mitigate negative impacts. The opportunities for business development associated with the MGP are quantified and qualified, and residents of the NWT are prepared to take advantage of the opportunities.

Objective 2 - To ensure that the MGP is constructed and operated in a manner which minimizes potential environmental and socio-economic impacts on the residents of the NWT, while ensuring that residents benefit to the greatest degree possible.

Objective 3 – To secure long-term Power Purchase Agreements with NWT diamond mines and undertake construction in 2009/10 with first power being transmitted in 2011/12.

Objective 4 – Value added and secondary industry uses of natural gas that could contribute to economic diversification and the sustainable economic development in the oil and gas sector as well as other economic sectors of the NWT are identified.

Objective 5 – The replacement of fuel oil by natural gas in communities will support the NWT in its efforts to reduce the NWT's greenhouse gas emissions.

Action Plan

MGP Strategic Investment

2008-2012	ITI will continue to lead the coordination and communication of the project activities for the GNWT.
	GNWT will continue to support the MGP Socio-Economic Agreement and Aboriginal Pipeline Group.
2008-2009	Response to expected new fiscal arrangement for the MGP and Federal investment in regulatory streamlining and public infrastructure.
	Constitution of the Advisory Board under the MGP SEA.
2009-2010	Completion of the Environmental Assessment (Joint Review Panel) and Regulatory (National Energy Board) processes, and issuance of a Certificate of Public Convenience and Necessity.
2010-2011	MGP construction start.

Energy Investment (Taltson)

2008-2009	Complete Power Development Agreement with Aboriginal partners.
2009–2010	Finalize Power Purchase Agreements, project financing arrangements, and make a decision to proceed to project construction.
2011–2012	First power supplied to diamond mines.

Induced Development Investment

2009-2010	Baseline information and an evaluation of the forecast opportunities associated with Induced Development is conducted.
2010-2011	Implementation of required initiatives to accommodate significant increases in industry activity to correspond with the decision to construct the MGP.

Environmental Management Opportunities

2009-2010	Baseline information and an evaluation of the forecast opportunities associated with the MGP and Induced Development is completed.
2010-2012	Initial planning for Regional Organization program and support demands associated with these opportunities is done.

Secondary Industry

2009-2010	Identification of opportunities and assessment of feasibility of potential value added and secondary industries associated with the Mackenzie Gas Project.
2010-2011	More specific evaluation and assessment of the promising secondary industry opportunities that were identified in the previous year's research.
	Results communicated to the private business sector for their consideration and potential investment.

STRATEGIC INITIATIVE: REDUCING THE COST OF LIVING
Action: Improve Quality and Cost of Shelter

Description

NWT Hydro Strategy
The NWT Hydro Strategy will establish a long-term approach to planning and investment. The NWT has world-class hydro development potential and as the economic and environmental costs of fossil fuels continue to increase, it is important that the NWT has a long-term approach to investment in our hydro potential.

Natural Gas Conversion
Natural Gas offers the opportunity to supply a number of communities in the NWT with clean, secure and cost-effective energy. Opportunities associated with construction of the MGP and supply of Natural Gas to communities will contribute to the future economic and energy security of the NWT

NWT Energy Plan Update
The cost of energy, the growing impacts of energy use on our environment, and the potential implications associated with climate change have been changing at a rapid pace. The NWT Energy Plan, released in May 2007, will be renewed in 2011, based upon results as well as these rapidly changing circumstances.

Objectives

Objective 1 – *Develop a long-term NWT Hydro Strategy that supports the development of hydro infrastructure and increases hydro production to improve on economies of scale and reduce the cost of hydro to NWT residents.*

Objective 2 – *Implement the Hydro Strategy and position the NWT to take advantage of emerging opportunities such as mini-hydro development for communities and opportunities associated with current and planned resource development activities.*

Objective 3 – *Develop a renewed NWT Energy Plan that provides the policy framework for the GNWT approach to energy as well as identifies programs and services to assist residents in managing their energy costs and reducing the impact of their energy use on the environment.*

Objective 4 – *Evaluate the economic and technical feasibility of conversion of Mackenzie Valley communities to gas to inform decisions on whether or not to proceed with gas conversion in communities.*

Action Plan

NWT Hydro Strategy

2008-2009	Release a Draft Hydro Strategy for consultation with NWT communities and residents.
2009-2010	Implement NWT Hydro Strategy and identify emerging opportunities.
2010-2011	Develop one mini-hydro project and pursue hydro development opportunities associated with non-renewable resource development.

Natural Gas Conversion

2009-2010	Building on the results of previous studies, an evaluation of the costs and benefits and on the ground engineering feasibility study will be conducted for potential for natural gas conversion.
2010-2011	Further engineering work would be carried out on additional communities in the Mackenzie Valley. The results of the studies would be presented to the communities and policy proposals developed to present the options to Cabinet for moving forward on this opportunity.
2010-2012	Depending on the decisions by the GNWT, detailed costing proposals would be developed to ensure capital expenditure plans are in place to allow construction of approved facilities in communities.

NWT Energy Plan Update

2010-2011	Develop a Public Discussion Paper to address a renewed NWT Energy Plan.
2011-2012	Release of a new NWT Energy Plan.

STRATEGIC INITIATIVE: REDUCING THE COST OF LIVING
Action: Address Factors that Impact the Cost of Goods

Description

NWT Electricity Review
Electricity rates, regulation and subsidy programs will be reviewed to ensure that the NWT electricity system reflects the values of NWT residents, considers the unique circumstances of the NWT market, and is best-positioned to provide reliable and affordable power to NWT communities and residents.

Objectives

Objective 1 – Identify opportunities to reduce the administrative and regulatory costs associated with the provision of electricity in NWT communities while ensuring there is transparency and accountability.

Objective 2 – Review electricity rates and subsidy programs to ensure that NWT residents and businesses have access to reliable and affordable power.

Action Plan

NWT Electricity Review

2008-2009	Building upon the consultations undertaken during the development of the NWT Energy Plan, develop a Public Discussion Paper and consult with NWT residents on the values that should be reflected in the Electricity Review.
2009-2010	Release of the Electricity Review and development of any required legislative amendments.
2010-2012	Implementation of any required legislative amendments.

STRATEGIC INITIATIVE: BUILDING OUR FUTURE
Action: Expand Programming for Children and Youth

Description

Take a Kid Trapping
Through the Traditional Economy portfolio, ITI is expanding its Take a Kid Trapping Program.This Program provides funding to organizations such as schools to provide on-the-land, hands-on learning opportunities to youth related to traditional activities such as hunting and trapping. Take a Kid Trapping provides a means to introduce youth to traditional lifestyles, some of whom might continue these activities as adults.

Strategic Initiative

Building Our Future

Objectives

Objective 1 – Continuation of trapping as an alternative lifestyle or as a means to supplement income, measured by continued trapping activities and fur sales.

Objective 2 - Support and promote learning of traditional skills.

Action Plan

Take a Kid Trapping

2008/09 and ongoing — The Program will be implemented in cooperation with regional and community organizations involved in educating youth and promotion of traditional skills.

INFRASTRUCTURE INVESTMENTS

	08/09	09/10	10/11	11/12
	$ (000)			
60th Parallel Visitor Centre	300	1 050		
Fort Smith Mission Park	500			
Protected Areas Strategy Park	100	100		
Airport Displays	600			
North Slave RV Campground		350		

60th Parallel Visitor Centre
As the major point of entry for road visitors, the 60th Parallel Visitor Centre is the first impression the majority of our vacation visitors receive. The ageing facility will be replaced with a modern, energy efficient building that provides a positive and lasting impression of the NWT.

Fort Smith Mission Park
Fort Smith Mission Historic Park is all that remains of the original 61 hectare Oblate Catholic Mission in what is now the centre of Fort Smith. The remaining seven buildings, now part of this Historic Park, are rapidly deteriorating, and require major renovations if they are to be preserved.

Protected Areas Strategy Park
In keeping with the GNWT's commitment as a partner in the NWT Protected Areas Strategy (PAS), ITI is proposing to establish a territorial park through the PAS process that is in keeping with ITI's mandate to promote economic prosperity through tourism. Several candidate areas are under consideration and a final site will be selected in 2008/2009.

North Slave RV Campground
The demand for powered sites has been increasing in the North Slave Region, and will continue to increase beyond the capacity of our current campgrounds. ITI will work to establish new RV sites in the next four years to accommodate the increased demand.

Airport Displays
Airport displays are important for creating positive first impressions of the NWT to visitors; these displays can impart information on attractions and tourism services that encourage visitors to spend more time and money in a region. The system of airport displays, including those in gateway locations such as Edmonton, Calgary and Vancouver, as well as in regional centres in the NWT, is in drastic need of refreshing and refurbishment.

LEGISLATIVE INITIATIVES

The following legislative initiatives are anticipated:

Agricultural Products Marketing Act

Changes to the *Agricultural Products Marketing Act* are required to reflect the evolution of the egg industry in the NWT, so that the Minister has the necessary authority to ensure the industry is developing in a manner that benefits the NWT.

Cooperative Associations Act

The *Cooperative Associations Act* requires amendment to reflect needs of the co-op sector in terms of reporting requirements and filing. The legislation needs to be modernized in keeping with developments in this sector, both nationally and within the NWT.